

June 21, 2000

WITHDRAWING APPROVAL OF UNITED STATES FROM AGREEMENT ESTABLISHING
WORLD TRADE ORGANIZATION

Statement of HON. RON PAUL OF TEXAS

[Pages: H4790 - 4814]

H.J. Res. 90

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress withdraws its approval, provided under section 101(a) of the Uruguay Round Agreements Act, of the WTO Agreement as defined in section 2(9) of that Act.

Mr. Speaker, it is true that I believe in low tariffs, because it means low taxes. When we had that problem facing us at the time of the constitutional convention, we were able to correct that problem in one sentence, no tariff barriers between the States, and it has been very successful. That is not what we are talking about here today.

We are talking about a very complex treaty, an illegal treaty, an unconstitutional treaty. This is the size of the treaty. This is the size of the agreement. This has nothing to do with trying to reduce taxes. As a matter of fact, when this was passed in 1994, the thought was and the statement was made on the House floor that it would lower taxes; and that I would support.

The truth is, there was an offset for every tax that was lower. Even with NAFTA, one gentleman told me that he immediately benefitted from NAFTA, because the tariff barriers went down. But do you know what happened, there was a reclassification of his product, and his tax went back on because he was a little guy, but the big guys got the benefits.

So there is something very unfair about the system. It is an unconstitutional approach to managing trade. We cannot transfer the power to manage trade from the Congress to anyone. The Constitution is explicit. 'Congress shall have the power to regulate foreign commerce.' We cannot transfer that authority. Transferring that authority to the WTO is like the President transferring his authority as Commander in Chief to the Speaker of the House.

Mr. Speaker, today we have the opportunity to vote to get out of the WTO. We joined the WTO in 1994 in a lame-duck session hurried up because it was fearful that the new Members would not capitulate and go along with joining the WTO. The WTO was voted by the House and the Senate as an agreement, and yet it is clearly a treaty. It involves 135 countries. It is a treaty. It has been illegally implemented, and we are now obligated to follow the rules of the WTO.

This is the size of the agreement that we signed and voted on in 1994. Now, if that is not an entangling alliance, I do not know what could be. It is virtually impossible to go through this and understand exactly what we have agreed to. But this is it, and this is what we are voting on today. If my colleagues vote against the resolution, they are rubber stamping this. That is what they are doing.

Some argue that, yes, indeed the WTO is not quite perfect. But we need it. We need the WTO

to manage this trade. But at the same time, they have no options. We cannot change the WTO. This is our only opportunity to vote and dissent on what is happening.

The people of this country are being galvanized in opposition to this. They never opposed GATT. GATT did not have the same authority as WTO. But now the WTO is being found to be very offensive to a lot of people around this country.

It is said that the WTO has no control over our sovereignty. That is like saying the U.N. has no control of our sovereignty. Yet what body in the world directs our foreign policy? Where do we send troops around the world? Why do we put our troops under U.N. command? Where do we get authority to march into Kosovo and Somalia? From the United Nations. The WTO is the same.

It is said that we do not have to listen to the WTO, but they threaten us with sanctions. They do not give us incentives. It is a threat, and we capitulate.

Mr. Speaker, let me remind those who would like to reform the WTO that we are helpless, Congress cannot do that. We need a unanimous consent vote from the WTO members. So that is not going to happen. Even the committee describes what we are talking about as a system of fair trade administered by the WTO. Fair trade, fine, we are all for fair trade, but who decides the WTO? That is not fair to the American citizens.

This is not an issue of trade. This is an issue of who gets to manage and decide whether it is fair trade or not. It is the issue of power, whether it is by the environmental bureaucrats or by the U.S. Congress. The one thing under this arrangement, the little farmer has very little say. He cannot get into the WTO and make a complaint. The great meat packers of the country may well.

The Financial Times does support the WTO, but this is what they said after NTR was passed. 'Already, many Washington trade lawyers are smacking their lips at the thought of the fees to be earned from bringing dispute cases in the WTO against Chinese trade practices. Says one, what will China be like in the WTO? It is going to be hell on wheels.'

Mr. Speaker, I would like to say that the giant meat packers may well be represented at the WTO, but the small rancher and farmer is not. The same people who promote this type of international managed trade where we lose control and it is delivered to an international bureaucracy are the same ones who fight hard to prevent us trading with Cuba and selling our products there.

Essentially no one here advocating trade, as managed through the WTO, supports me in my efforts to open the Cuban markets to our farm products. There's a lot of talk regarding free trade and open markets but little action. The support by the WTO advocates is for international managed trade along with subsidies to their corporate allies.

Let me say that reforms are not permissible. The Congress cannot reform the WTO. Only they can reform themselves. But they work in secret, and they have to have a unanimous vote. Our vote is equal to the country of Sudan. So do not expect it to ever be reformed. The only way we can voice our objection is with this resolution. And there will never be another chance to talk about the WTO for 5 more years.

Let me state that the Congress is required to state a constitutional justification for any legislation. The Committee on Ways and Means amazingly used article I, section 8 to justify their position on this bill. And let me state their constitutional justification. It says, 'The Congress shall have power to lay and collect taxes, duties, imposts and excises.' But the Constitution says the Congress. But what we are doing is allowing the WTO to dictate to us.

Even those on the Committee on Ways and Means said that they endorse this system of 'fair trade administered by the WTO'. Who is going to decide what is fair? The WTO does. And they tell us what to do.

'Peace, commerce and honest friendship with all nations, entangling alliances with none, I deem one of the essential principles of our government and consequently one of those which ought to shape its administration.' Thomas Jefferson.

Thomas Jefferson, I am sure, would be aghast at this WTO trade agreement. It is out of the hands of the Congress. It is put into the hands of unelected bureaucrats at the WTO. I would venture to guess even the Hamiltonians would be a bit upset with what we do with trade today. I

am pro-trade. I have voted consistently to trade with other nations, with lowering tariffs. But I do not support managed trade by international bureaucrats. I do not support subsidized trade. Huge corporations in this country like the WTO because they have political clout with it. They like it because they have an edge on their competitors. They can tie their competitors up in court. And they can beat them at it because not everybody has access. One has to be a monied interest to have influence at the World Trade Organization.

Earlier today I predicted that we would win this debate. There is no doubt in my mind that we and the American people have won this debate. We will not win the votes, but we will do well. But we have won the debate because we speak for the truth and we speak for the Constitution and we speak for the American people. That is why we have won this debate. It is true there are a lot of complaints about the WTO from those who endorse it. I think the suggestion from the gentleman from Oregon is a good suggestion. Those who are uncomfortable with the WTO and they do not want to rubber-stamp it, and they do not think it is quite appropriate to vote 'yes' on this resolution, vote 'present.' Send a message. They deserve to hear the message. We have no other way of speaking out. Every 5 years, we get a chance to get out of the WTO--that's it.

We cannot control the WTO. None of us here in the Congress has anything to say. You have to have a unanimous vote with WTO to change policy. Our vote is equal to all the 134 other countries; and, therefore, we have very little to say here in the U.S. Congress.

Why is it that I have allies on the other side of the aisle where we may well disagree on the specifics of labor law and environmental law. We agree that the American people have elected us, we have taken an oath of office to obey the Constitution, that we have a responsibility to them and we should decide what the labor law ought to be, we should decide what the environmental law should be, we should decide what the tax law should be. That is why we have an alliance.

But let me remind my colleagues, the American people are getting frustrated. They feel this sense of rejection and this loss of control. Why bother coming to us? We do not have control of the WTO and they feel like they are being hurt. This is the reason we are seeing demonstrations. They say if we did not have the WTO we would have anarchy? I predict chaos. I predict eventual chaos from WTO mismanagement. The trade agreement is unmanageable. They would like to do it in secrecy, and they like to wheel and deal; but it is unmanageable.

Let me say there is another reason why we expect chaos in the economy and in trade. It has to

do with the trade imbalances. Today we are at record highs. The current account deficit hit another record yesterday. It is 4.5 percent of the GDP, and it is significant. But unfortunately the WTO can do nothing about that because that is a currency problem. It too causes chaos. Yet there will be an attempt by the WTO to share the problem of imbalances. Just think of how NAFTA came to the rescue of the Mexican peso immediately after NAFTA was approved; a \$50 billion rescue for the politicians and the bankers who loaned money to Mexico.

Quite frankly, I have a suspicion that when the Chinese currency fails, that will be one of the things that we will do. China will be our trading partner. They are in the family of countries, so therefore we will bail out their currency. That is what I suspect will happen. Why else would the Chinese put up with the nonsense that we pass out about what we are going to do, investigate them and tell them how to write their laws? They have no intention of doing that. I think they are anxious to be with WTO because they may well see a need for their currency to be supported by our currency, which would be a tax on the American people.

This is a sovereignty issue. We do not have the authority in the U.S. House of Representatives to give our authority to the President. We do not have the authority and we should never permit the President to issue these executive orders the way he does, but this is going one step further. We have delivered this sovereignty power to an unelected bunch of bureaucrats at the WTO.

FINAL VOTE RESULTS FOR ROLL CALL 310

(Republicans in roman; Democrats in *italic*; Independents underlined) H J RES 90
YEA-AND-NAY 21-JUN-2000 9:44 PM QUESTION: On Passage
BILL TITLE: Withdrawing the Approval of the United States from the
Agreement Establishing the World Trade Organization
[YEAS](#)
[NAYS](#)
[PRES](#)
[NV](#)
REPUBLICAN 33 182

DEMOCRATIC			21	181	3
INDEPENDENT			2		
TOTALS			56	363	3
--- YEAS	56 ---	<i>Abercrombie</i>	<i>Hall (TX)</i>	<i>Peterson (MN)</i>	
Aderholt		Hilleary	Pombo		
<i>Baldwin</i>		Hostettler	Rohrabacher		
Barr		Hunter	<u>Sanders</u>		
Bartlett		Istook	Scarborough		
Bilirakis		<i>Jackson (IL)</i>	Schaffer		
<i>Bonior</i>		Jones (NC)	Sensenbrenner		
<i>Brown (OH)</i>		<i>Kaptur</i>	Smith (NJ)		
Burton		<i>Kennedy</i>	<i>Strickland</i>		
Chenoweth-Hage		<i>Kucinich</i>	<i>Stupak</i>		
Coburn		<i>Lipinski</i>	Tancredo		
Deal		<i>McKinney</i>	<i>Taylor (MS)</i>		
<i>DeFazio</i>		Metcalf	Taylor (NC)		
Doolittle		<i>Mink</i>	<i>Traficant</i>		
Duncan		Ney	Wamp		
Everett		Norwood	<i>Waters</i>		
Gibbons		<i>Oberstar</i>	Weldon (FL)		
<u>Goode</u>		<i>Obey</i>	Young (AK)		
Goodling		Paul			
--- NAYS	363 ---	<i>Ackerman</i>	Gilchrest	Northup	
<i>Allen</i>		Gillmor	Nussle		
<i>Andrews</i>		Gilman	<i>Olver</i>		
Archer		<i>Gonzalez</i>	<i>Ortiz</i>		
Armey		Goodlatte	Ose		
<i>Baca</i>		<i>Gordon</i>	<i>Owens</i>		
Bachus		Goss	Oxley		
<i>Baird</i>		Graham	Packard		
Baker		Granger	<i>Pallone</i>		
<i>Baldacci</i>		<i>Green (TX)</i>	<i>Pascrell</i>		
Ballenger		Green (WI)	<i>Pastor</i>		
<i>Barcia</i>		Greenwood	<i>Payne</i>		
Barrett (NE)		<i>Gutierrez</i>	Pease		
<i>Barrett (WI)</i>		Gutknecht	<i>Pelosi</i>		
Barton		<i>Hall (OH)</i>	Peterson (PA)		
Bass		Hansen	Petri		
Bateman		<i>Hastings (FL)</i>	<i>Phelps</i>		
<i>Becerra</i>		Hastings (WA)	Pickering		
<i>Bentsen</i>		Hayes	<i>Pickett</i>		
Bereuter		Hayworth	Pitts		
<i>Berkley</i>		Hefley	<i>Pomeroy</i>		
<i>Berman</i>		Herger	Porter		
<i>Berry</i>		<i>Hill (IN)</i>	Portman		
Biggert		Hill (MT)	<i>Price (NC)</i>		

Bilbray	<i>Hilliard</i>	Pryce (OH)
<i>Bishop</i>	<i>Hinojosa</i>	Quinn
<i>Blagojevich</i>	Hobson	Radanovich
Bliley	<i>Hoeffel</i>	<i>Rahall</i>
<i>Blumenauer</i>	Hoekstra	Ramstad
Blunt	<i>Holden</i>	Regula
Boehlert	<i>Holt</i>	<i>Reyes</i>
Boehner	<i>Hooley</i>	Reynolds
Bonilla	Horn	Riley
Bono	Houghton	<i>Rodriguez</i>
<i>Borski</i>	<i>Hoyer</i>	<i>Roemer</i>
<i>Boswell</i>	Hulshof	Rogan
<i>Boucher</i>	Hutchinson	Rogers
<i>Boyd</i>	Hyde	Ros-Lehtinen
<i>Brady (PA)</i>	<i>Inslee</i>	<i>Rothman</i>
Brady (TX)	Isakson	Roukema
<i>Brown (FL)</i>	<i>Jackson-Lee (TX)</i>	Royce
Bryant	Jenkins	<i>Rush</i>
Burr	<i>John</i>	Ryan (WI)
Buyer	Johnson (CT)	Ryun (KS)
Callahan	<i>Johnson, E. B.</i>	<i>Sabo</i>
Calvert	Johnson, Sam	Salmon
Camp	<i>Jones (OH)</i>	<i>Sanchez</i>
Canady	<i>Kanjorski</i>	<i>Sandlin</i>
Cannon	Kasich	Sanford
<i>Capps</i>	Kelly	<i>Sawyer</i>
<i>Capuano</i>	<i>Kildee</i>	Saxton
<i>Cardin</i>	<i>Kilpatrick</i>	<i>Schakowsky</i>
Castle	<i>Kind (WI)</i>	<i>Scott</i>
Chabot	King (NY)	Sessions
Chambliss	Kingston	Shadegg
<i>Clay</i>	<i>Kleczka</i>	Shaw
<i>Clayton</i>	<i>Klink</i>	Shays
<i>Clement</i>	Knollenberg	<i>Sherman</i>
<i>Clyburn</i>	Kolbe	Sherwood
Coble	<i>LaFalce</i>	Shimkus
Collins	LaHood	<i>Shows</i>
Combest	<i>Lampson</i>	Simpson
<i>Condit</i>	<i>Lantos</i>	<i>Sisisky</i>
<i>Conyers</i>	Largent	Skeen
Cooksey	<i>Larson</i>	<i>Skelton</i>
<i>Costello</i>	Latham	<i>Slaughter</i>
Cox	LaTourette	Smith (MI)
<i>Coyne</i>	Lazio	Smith (TX)
<i>Cramer</i>	Leach	<i>Smith (WA)</i>
Crane	<i>Lee</i>	<i>Snyder</i>

<i>Crowley</i>	<i>Levin</i>	Souder
Cubin	Lewis (CA)	Spence
<i>Cummings</i>	<i>Lewis (GA)</i>	<i>Spratt</i>
Cunningham	Lewis (KY)	<i>Stabenow</i>
<i>Danner</i>	Linder	<i>Stark</i>
<i>Davis (FL)</i>	LoBiondo	Stearns
<i>Davis (IL)</i>	<i>Lofgren</i>	<i>Stenholm</i>
Davis (VA)	<i>Lowey</i>	Stump
<i>DeGette</i>	<i>Lucas (KY)</i>	Sununu
<i>Delahunt</i>	Lucas (OK)	Sweeney
<i>DeLauro</i>	<i>Luther</i>	Talent
DeMint	<i>Maloney (CT)</i>	<i>Tanner</i>
<i>Deutsch</i>	<i>Maloney (NY)</i>	<i>Tauscher</i>
Diaz-Balart	Manzullo	Tauzin
Dickey	<i>Markey</i>	Terry
<i>Dicks</i>	<i>Martinez</i>	Thomas
<i>Dingell</i>	<i>Mascara</i>	<i>Thompson (CA)</i>
<i>Dixon</i>	<i>Matsui</i>	<i>Thompson (MS)</i>
<i>Doggett</i>	<i>McCarthy (MO)</i>	Thornberry
<i>Dooley</i>	<i>McCarthy (NY)</i>	Thune
<i>Doyle</i>	McCollum	<i>Thurman</i>
Dreier	McCrery	Tiahrt
Dunn	<i>McDermott</i>	<i>Tierney</i>
<i>Edwards</i>	<i>McGovern</i>	Toomey
Ehlers	McHugh	<i>Towns</i>
Ehrlich	McInnis	<i>Turner</i>
Emerson	<i>McIntyre</i>	<i>Udall (CO)</i>
<i>Engel</i>	McKeon	<i>Udall (NM)</i>
English	<i>McNulty</i>	Upton
<i>Eshoo</i>	<i>Meehan</i>	<i>Velazquez</i>
<i>Etheridge</i>	<i>Meek (FL)</i>	<i>Visclosky</i>
<i>Evans</i>	<i>Meeks (NY)</i>	Vitter
Ewing	<i>Menendez</i>	Walden
<i>Farr</i>	Mica	Walsh
<i>Fattah</i>	<i>Millender-McDonald</i>	Watkins
<i>Filner</i>	Miller (FL)	<i>Watt (NC)</i>
Fletcher	Miller, Gary	Watts (OK)
Foley	<i>Miller, George</i>	<i>Waxman</i>
<i>Forbes</i>	<i>Minge</i>	<i>Weiner</i>
<i>Ford</i>	<i>Moakley</i>	Weldon (PA)
Fossella	<i>Mollohan</i>	Weller
Fowler	<i>Moore</i>	<i>Wexler</i>
<i>Frank (MA)</i>	Moran (KS)	<i>Weygand</i>
Franks (NJ)	<i>Moran (VA)</i>	Whitfield
Frelinghuysen	Morella	Wicker
<i>Frost</i>	<i>Murtha</i>	Wilson

Gallegly
Ganske
Gejdenson
Gekas
Gephardt

Myrick
Nadler
Napolitano
Neal
Nethercutt

Wise
Wolf
Woolsey
Wu
Young (FL)